MEMO

To: Mayor and City Council

From: Mark Gaugh, City Manager

Date: July 17, 2017

Re: Manager's Report

Electric Meter Testing – As directed at a previous Council meeting, staff completed the testing of 33 electric meters by an outside agency. The meters were tested at full load and light load. All of the meters tested to be accurate in measuring power. We had a few customers with high bills last winter, and we are working on a program where residents can get tips through an energy audit of their home. There would be no charge for the audit, as long as the customer implements the recommendations for the audit. The recommendations are generally not too expensive and will help customers reduce their energy usage.

Electric Rates – In April, 2016, we adjusted electric rates slightly to reflect the same percentage charged to us by our wholesale electric provider. It was such a small increase that we did not receive one question or complaint from any of our 3,000+ metered accounts. Usually, if there is any rate adjustment from our wholesale provider, it is done in April. The good news is that no rate increase was proposed this last April. Cameron residents enjoy one of the lowest electric rates in the area. While maintaining low rates, we have built a good fund reserve and are able to fund most of our capital improvements without borrowing money and paying interest. As capital improvements are made, we replenish those reserves for additional future improvements as needed. Strong fund reserves are necessary for superior operation and to maintain high system reliability. Our General Fund, which supports police, fire and public works also benefits from our utilities, as well as private utility companies. We transfer a 5% Gross Receipts tax to our General Fund from our utilities, along with gas, cable, etc. Also, our outage duration time is lower than the national average, because we have high operating standards. For these reasons, I am not recommending any reduction in our electric rate at this time.

Old Furniture Depo Demolition – A demolition permit has finally been requested for the old Furniture Depot building on Walnut. This is a dangerous structure and has taken us over two years moving through the process to get it removed. The brick building and foundation need to be removed, according to our Dangerous Structures ordinance. Perkins Construction is currently working to mobilize and block off the necessary area so the work can begin.

Economic Development –The Hwy. 36/Griffin Rd. Community Improvement District (CID) is scheduled to meet on July 17 at 4:00 p.m. The purpose of the meeting is mainly to obtain the Board members for the group forming the CID, along with any other cleanup items.

Animal Shelter – The USDA is requiring some immediate improvements at the animal shelter in order to avoid possible fines. I think most of these were of a structural nature, and we immediately began making those repairs. These changes will allow us some time before we need to construct a new shelter. However, there are still some things that cannot be modified that a new shelter would provide, such as isolation HVAC and other things to prevent contamination among the animal population. But, at least we will have some time, once the improvements are completed.

Zoning Changes on City Land – At the last Planning and Zoning meeting, there were some questions, regarding the City's intent to rezone some property. The business park is being rezoned from agricultural to commercial (CM-P), and the land adjacent to the wastewater plant is being rezoned from R-2 to Commercial. These are both being done to allow commercial development in the future. There is no specific use at this time planned for the land adjacent to the wastewater plant. It is not desirable to have residential areas near some municipal operations, such as wastewater plants, landfills, airports, etc. In the future, there may be commercial development along the Griffin Road corridor, so zoning will pave the way for that to happen, as well. The business park land will have to be zoned commercial, since that is its purpose. It is currently zoned as agricultural. The Electric operation will also be moved from a residential area to the business park, so commercial zoning makes sense all the way around. We do have interest in the business park and this will be ongoing as we market the property to prospects.